



Economic and Revenue Forecast Council

EMBARGOED until November 14, 2012 1:00 pm PST when it will be released at www.erfc.wa.gov

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Small changes in the economy reflected in forecasted revenue

OLYMPIA, November 14, 2012 – Overall changes to the revenue forecast are slight. Forecasted revenue for the current biennium has been increased by \$8 million, with a \$31 million positive variance in collections since the September forecast partially offset by a weaker forecast going forward. Forecasted revenues for the 2013-15 and 2015-17 biennia have been decreased, but by relatively small amounts. The forecast for the 2013-15 biennium has been decreased by \$88 million and the forecast for the 2015-17 biennium has been decreased by \$163 million. Both reductions represented less than one-half of one percent of biennial revenue. Forecasted GF-S revenue is now \$30.477 billion for the current biennium, \$32.561 billion for the 2013-15 biennium and \$35.355 billion for the 2015-17 biennium.

The November economic forecast is marginally weaker than the September forecast, with slightly lower U.S. GDP and Washington personal income.

Uncertainty in the baseline remains very high, mostly due to on-going concerns about Europe, China, and the "fiscal cliff."

Due to uncertainty about the response of the Federal Government to Initiative 502, the forecast assumes no additional revenue from taxation of the sale of marijuana.

Forecast of GF-S Revenue (probabilities in parenthesis): 2011-13

Baseline (50%): \$30.469 billion; \$8 million higher than the previous forecast.

Optimistic (15%): \$31.082 billion; \$604 million more than the baseline forecast.

Pessimistic (35%): \$29.871 billion; \$607 million less than the baseline forecast.

Governor's Council of Economic Advisors' assumptions: \$30.471 billion; \$7 million lower than the baseline forecast.

Please see our full report for more information. You can access this report at:

<http://www.erfc.wa.gov/forecast/documents/rev20121114color.pdf>

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About the ERFC:

The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.